

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

GATUGI GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED
THE NATIONAL ASSEMBLY PAPERS LAID
 30 JUNE, 2023

DATE: 11 MAR 2025

DAY.
Tuesday

TABLED BY: **NYERI COUNTY** Hon. Owen Baya (Deputy Majority leader)

CLERK-AT THE-TABLE: Getrude Chebet

Revised 30th June 2023.



OFFICE OF THE AUDITOR GENERAL
P. O. Box 20084-00100, NAIROBI
REGISTRY

02 AUG 2024

RECEIVED



GATUGI GIRLS SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

Prepared in accordance with the CashBasis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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1. Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
SMASSE	Strengthening Mathematics and Sciences in Secondary Education

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Nyeri County, Nyeri South Sub-County.

The school was registered in March (03) 2008 under registration number GP/A/5291/08 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a Girls boarding school and had 793 number of students as at 30th June 2023. It has 4 streams and 29 teachers of which seven teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Hon. Priscilla Nyokabi	Chairman	13/5/2022
2	Ms Jane Ngigi	Secretary- Principal	17/2/2023
3	Rev. Johna Kairu	Member - Sponsor	13/5/2022
4	Lucy Wachera Gathenya	Member - Sponsor	13/5/2022
5	Ms Mary Wagaki Mwai	Member – Community	13/5/2022
6	Ms Perister Kigwa	Member - Community	13/5/2022
7	Dr Cyrus Ngumo	Member - Community	13/5/2022
8	Mr. John Kinyua	Member – community	13/5/2022
9	Mr. Jonathan Ndegwa	Member - Community	13/5/2022
10	Mr. David Gicheru Kimita	Member - Rep CEB	13/5/2022
11	Mrs Charity Kamutu	Member – Teachers Rep	13/5/2022
12	Ms Gladys Wambugu	Member - Community	13/5/2022
13	Ms Agnes Njambi Mubeu	Member - Special Needs	13/5/2022

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Priscilla Nyokabi 2. Jane Ngigi 3. John Kinyua 4. James Mwangi 5. Perister Kigwa	Chair B.O.M Secretary Member Member Member	1
2	Audit Committee	Lucy Gathenya Periste Kigwa John Kinyua Jane Ngigi James Mwangi	Chair Member Member Member Member	1
3	Finance, procurement and general purposes Committee	Priscilla Nyokabi Jane Ngigi James Mwangi	Chair Secretary Member	3

		John Kinyua	Member	
		Charles Matemo	Member	
		Rev Johna Kairu	Member	
4	Academic Committee	Lucy Gathenya	Chair	1
		Virginia Munyiri	Secretary	
		Jane Ngigi	Member	
		Charity Kamutu	Member	
		David Kimita	Member	
		Perister Kigwa	Member	
5	Development Committee	John Kinyua	Chair	2
		Virginia Munyiri	Secretary	
		James Mwangi	Member	
		Jane Ngigi	Member	
		Charles Matemo	Member	
		Priscilla Nyokabi	Member	
		Rev Johna Kairu	member	
6	Discipline and welfare Committee	Mary Wagaki	Chair	1
		Jane Ngigi	Secretary	
		Rev. Johna Kairu	Member	
		Agnes Mubeu	Member	
		Virginia Munyiri	Member	
		Charity Kamutu	Member	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Ms Jane Ngigi; from Feb.2023 Mrs Elpiety Kihara; July 2022 –Jan 2023	TSC No.324619
2	Deputy Principal	Mrs Virginia Munyiri	TSC No.302725
3	School Bursar	Cecilia Mathenge	I.D 14428952
4	Other (specify)		

(e) Schools contacts

Post Office Box: P.O Box 332 - 10106
 Telephone: 0711322220
 E-mail: gatugigirlssecondary@yahoo.com
 Website: www.GatugiGirlsHigh.co.ke

(f) School Bankers

The school operated 8 number of bank accounts in the following banks:

- Name of Bank: Tuition: KCB
Branch: Othaya
Account Number: 1101525827
- Name of Bank: Operations: KCB
Branch: Othaya
Account Number: 1101565195
- Name of Bank: School fund: KCB
Branch: Othaya
Account Number: 1101523565
- Name of Bank: Savings account: KCB
Branch: Othaya
Account Number: 1103197312
- Name of Bank: Infrstructure: KCB
Branch: Othaya
Account Number: 1226275311
- Name of Bank: School fund: Equity
Branch: Othaya
Account Number: 0080293984573

7. Name of Bank: Development a/c: Equity
Branch: Othaya
Account Number: 0080101537751
8. Name of Bank: CDF a/c: Equity
Branch: Othaya
Account Number: 0080271508966

(g) Independent Auditors

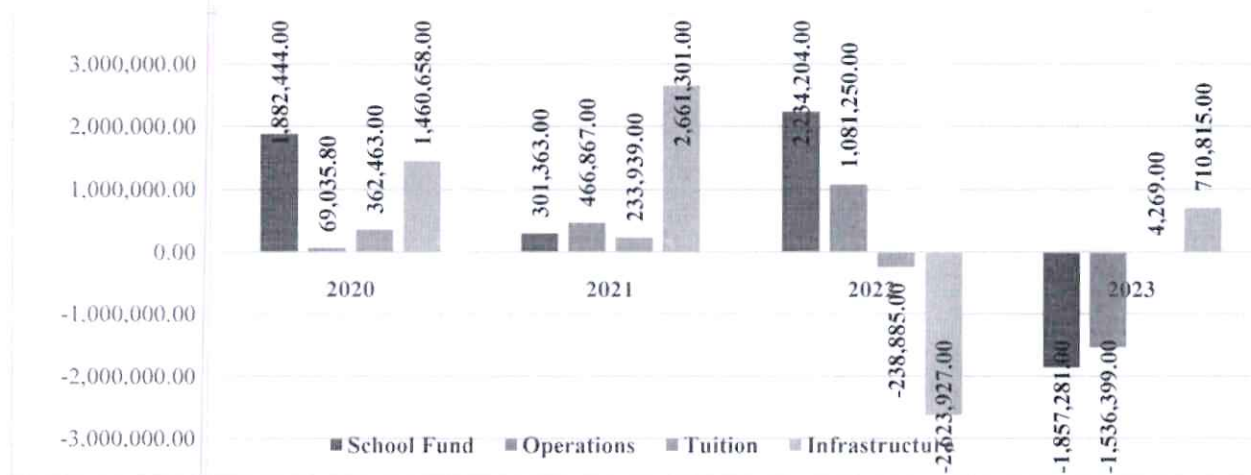
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

3. Summary Report of Performance of The School

The following is a summary report of the performance of the school against the set performance evaluation criteria:

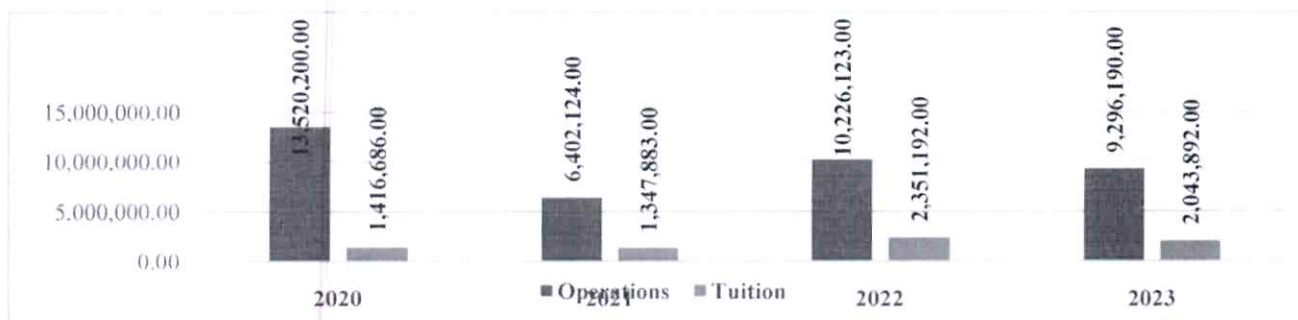
a) Financial performance:

SURPLUS/DEFICIT FOR THE YEAR & COMPARISON FOR THE LAST 4 YEARS					
NO	ACCOUNTS	2023 KSHS	2022 KSHS	2021 KSHS	2020 KSHS
1	School fund A/c	(1,857,282)	2,234,204	301,363	1,882,444
2	Operations A/c	(1,536,398)	1,081,250	466,867	69,035
3	Tuition A/c	4,269	(238,885)	233,939	362,463
4	Infrastructure A/c	710,815	(2,623,927)	2,661,301	1,460,658
	Total	(2,678,596)	452,642	3,663,470	3,774,601
	Decrease	(2,225,954)	(3,210,828)	(111,131)	

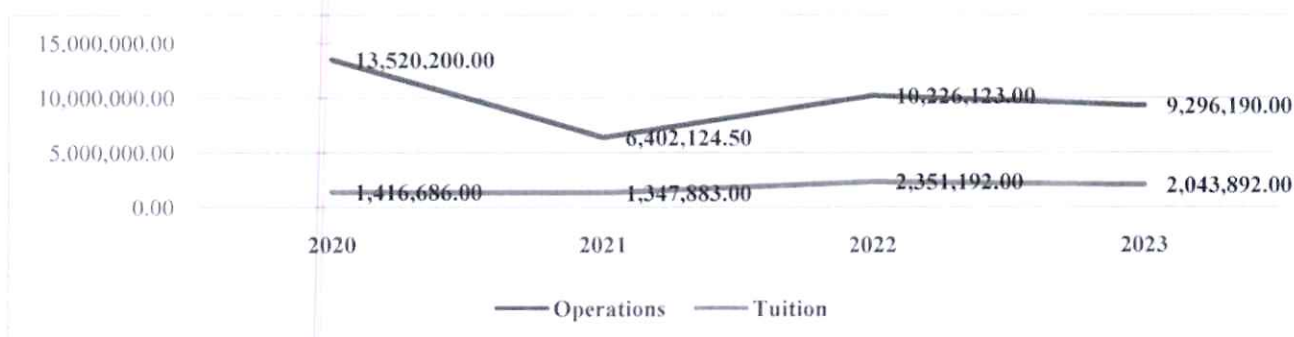


In the year 2022/2023, the deficit amounted to Ksh 2,678,596.00. This was attributed to by high cost of food and operations cost paid from the school fund and operations account respectively.

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
No	ACCOUNTS	2023	2022	2021	2020
1	Operations Account	9,296,190	10,226,123	6,402,124	13,520,200
2	Tuition Account	2,043,892	2,351,192	1,347,883	1,416,686
	Total	11,340,082	12,577,315	7,750,007	14,936,886
	Increase/ (Decrease)	(1,237,233)	4,827,308	(7,186,878.5)	
	No of students	793	712	665	665
	Ratio of Capitation	1:14,300	1:17,664	1:11,654.14	1:22,461.48



TREND OVER THE LAST THREE YEARS



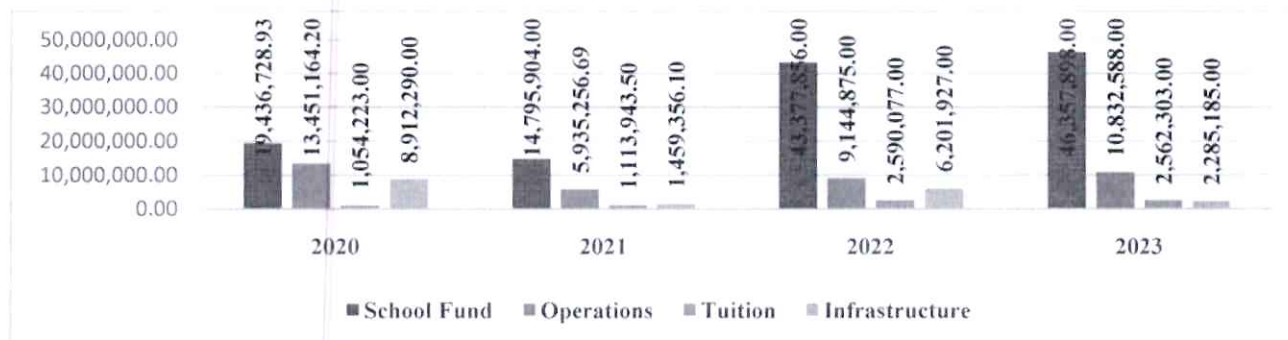
OVERVIEW OF NET GROWTH OF OTHER INCOME						
NO	ACCOUNTS	2023 KSH	2022 KSH	2021 KSH	2020 KSH	
1	Tender	56,000	47,000	-	46,000	
2	Farm	1,041,420	671,088	326,383	355,325	
3	Rent	129,500	189,000	49,000	144,500	
	Total	1,226,920	907,088	375,383	545,825	
	Increase/(Decrease)	319,832	531,705	(170,442)		

TREND OVER THE LAST THREE YEARS



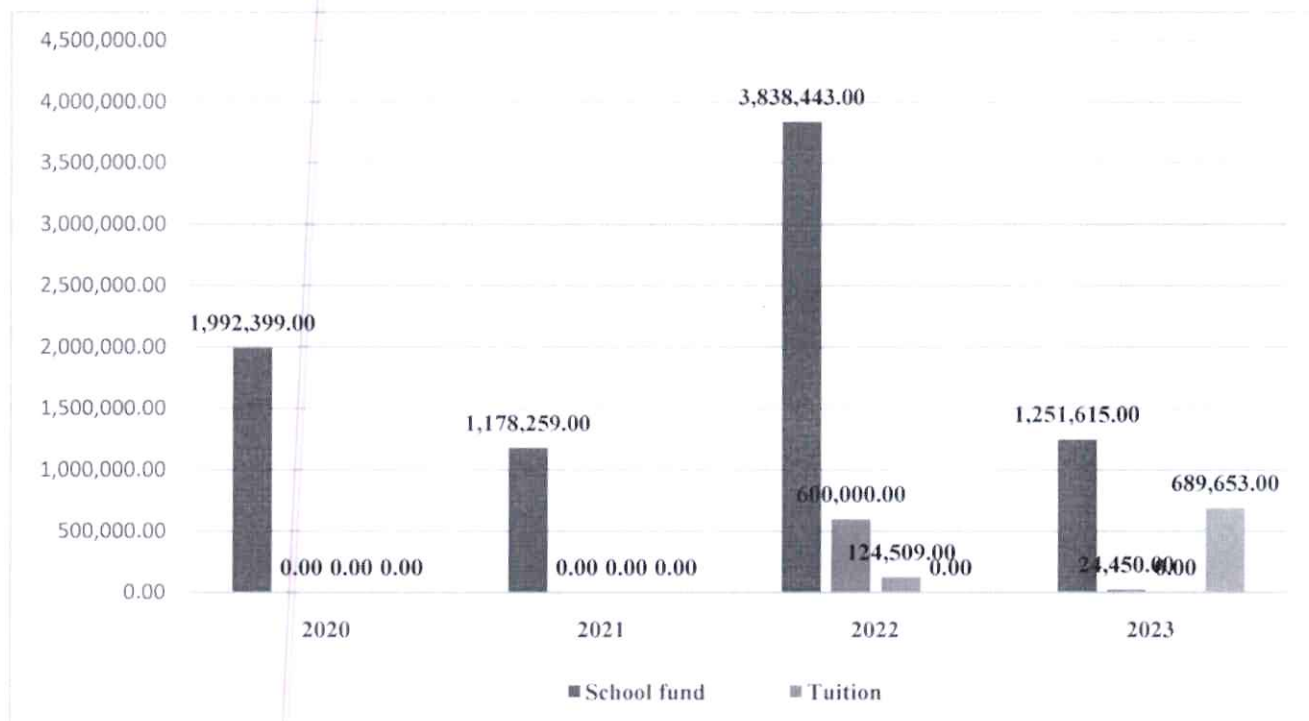
In the year 2022/2023, tendering attracted more tenderers than the previous financial year. Increase in other income was attributed to increase in farming activities in the year.

OVERVIEW GROWTH IN EXPENDITURE OF THE SCHOOL					
	ACCOUNTS	2023 KSH	2022 KSH	2021 KSH	2020 KSH
1	School fund Account	46,357,898	43,377,856	14,795,904	19,436,728
2	Operations Account	10,832,588	9,144,875	5,935,256.	13,451,164
3	Tuition Account	2,562,303	2,590,077	1,113,943	1,054,223
4	Infrastructure Account	2,285,185	6,201,927	1,459,356	8,912,290
	Total	62,037,974	61,314,735	23,304,460	42,854,406
	Increase/(Decrease)	(723,239)	38,010,275	(19,549,945)	



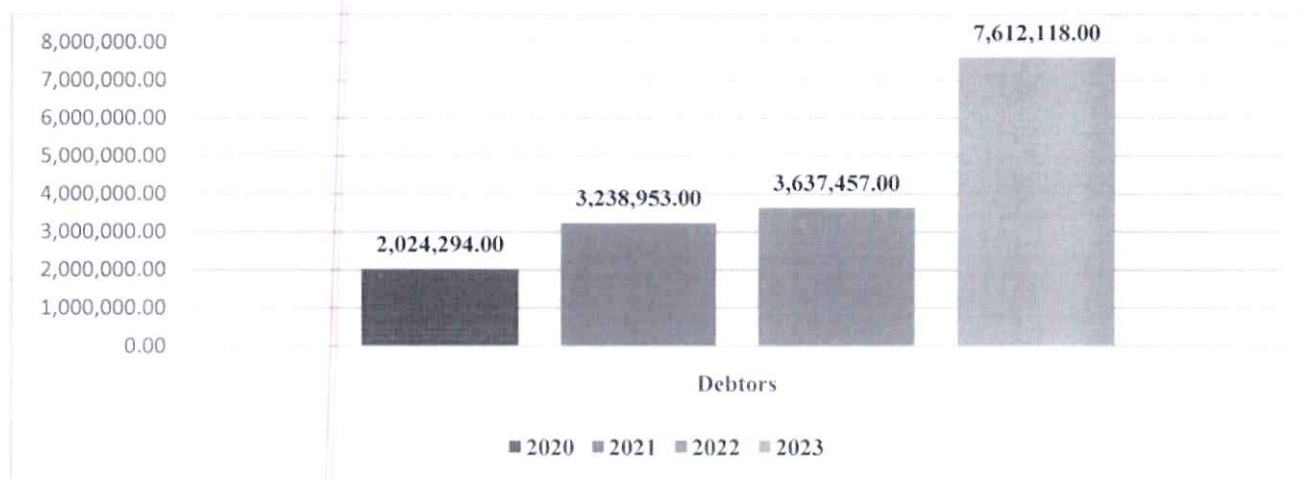
Decrease in expenditure from Ksh 61,314,735 to Ksh 62,037,974 was due to high infrastructure expenditure in the prior year. In the year 2020/2021, income for the infrastructure was not spent since the approval was delayed hence the expenditure was made in the year 2021/ 2022.

MOVEMENT OF CREDITORS OF THE SCHOOL				
ACCOUNTS	2023	2022	2021	2020
	KSH	KSH	KSH	KSH
School funds A/c	1,251,615	3,838,443	1,178,259	1,992,399
Operations Account	-	124,059	-	-
Tuition Account	25,450	600,000	-	-
Infrastructure Account	689,653	-	-	-
Clubs	16,605			
Total	1,983,423	4,562,502	1,178,259	1,992,399
Increase/(Decrease)	(2,579,079)	3,384,243	814,140	



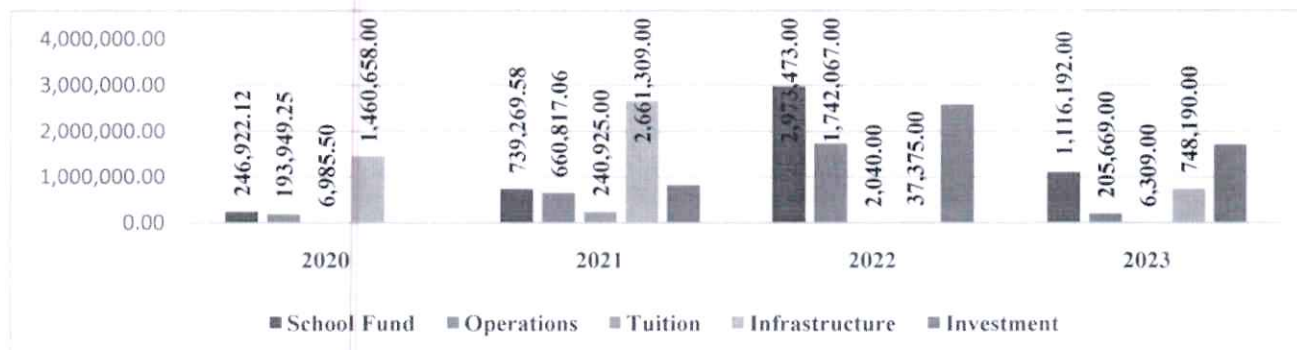
MOVEMENT OF DEBTORS OF THE SCHOOL

	ACCOUNTS	2022	2021	2020	2020
1	School fund	7,612,118	3,637,457	3,238,953	2,024,294
	Total	7,612,118	3,637,457	3,238,953	2,024,294
	Increase/ (decrease)	3,9574,661	398,504	(1,247,034)	



MOVEMENT OF CASH AND BANK BALANCES

NO	ACCOUNTS	2023 KSH	2022 KSH	2021 KSH	2020 KSH
1	School fund A/c	1,116,192	2,973,473	739,269	246,922
2	Operations Account	205,669	1,742,067	660,817	193,949
3	Tuition Account	6,309	2,040	240,925	6,985
4	Infrastructure A/c	748,190	37,375	2,661,309	1,460,658
5	Transfer to savings	1,718,087	2,588,317	825,036	-
	Total	3,794,447	7,343,272	5,127,357	1,908,514
	Increase/Decrease	(3,548,825)	2,215,915	3,218,842	



b) Teacher Student ratio:

In the year 2022/2023, there were 22 teachers employed by the Teachers Service Commission and seven teachers employed by Board of Management. Three teachers had transferred and one retired during the year. One teacher was newly posted by the TSC to the school. Teachers students ratio is 1: 36.

c) Mean score in the 2022 KCSE:

YE R	ENROLMENT	MEAN	TRANSITION TO UNIVERSITY	%	TRANSITION TO TVET	%	SCH. TARGET	COMMENTS
2022	142	4.345	6	4.3	136	95.7	6.5	Negative deviation of -0.257
2021	168	4.602	9	5.4	159	94.6	6.5	Negative deviation of -0.188
2020	172	4.790	16	9.3	156	90.4	6.5	Negative deviation of -0.121

d) Number of Candidates in the 2022 KCSE:

YEAR	2023	2022	2021	2020
Candidates	170	142	168	173

e) Capacity of the school:

The school has a population of 790 students. The school facilities are:

NO	SCHOOL FACILITY	CAPACITY	REQUIRED
1	Dormitories	790 students	1 dormitory
2	Laboratories	2 laboratories	1 laboratory
3	Dining Hall	(1) 550 students	requires expansion
4	Bus	(1) 33 seater (old)	52 seater
5	Toilets	71 toilets	
6	Classrooms	16	1
7	Library	1	1
8	Computer Lab	1	1
9	Home science lab	1	Requires expansion
10	Kitchen	1	Requires expansion

f) Development projects carried out by the school:

NO	PROJECT	YEAR	STATUS	FUND SOURCE	AMOUNT
1	Construction of a Toilet Block	2022-2023	Complete	Maintenance and Improvement (Ministry)	2,973,395.00
2	Construction of a new dormitory	2019-2022	Complete	Maintenance and Improvement, Economic stimulus fund	14,696,318.00


 School Principal
 GATUGI GIRLS SEC. SCHOOL
 P. O. Box 332-10106, OTHAYA.
 Tel: 0711-322220.

4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Gatugi Girls Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June 2023, and of the school's financial position as at that date.



.....
Name: Hon. Priscilla Nyokabi

Designation: Chairman, School Board of Management

Date: 26/7/24



.....
Name: Ms Jane Ngigi

Designation: School Principal & Secretary to Board of Management

Date: 26/7/24

GATUGI GIRLS SEC. SCH.
P. O. Box 332-10106, OTHAYA.
Tel: 0711-822320.



.....
Name: Cecilia Mathenge

Designation: Bursar/ Finance Officer

Date: 26/7/24

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GATUGI GIRLS SECONDARY SCHOOL OR THE YEAR ENDED 30 JUNE, 2023 – NYERI COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Gatugi Girls Secondary School – Nyeri County set out on pages 1 to 21, which comprise the statement of financial assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement

Report of the Auditor-General on Gatugi Girls Secondary School for the year ended 30 June, 2023 - Nyeri County

of cash flows and statement of comparison of budget and actual amounts for the period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Gatugi Girls Secondary School – Nyeri County as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.7,612,118 as disclosed in Note 13 to the financial statements. This amount includes fees arrears for prior period (over three years) balance of Kshs.2,332,071, respectively. The School did not have an approved debt policy and documented strategy for recovery of the outstanding fees.

In the circumstances, the accuracy and full recoverability of the outstanding receivables could not be confirmed.

2. Unsupported Adjustments in the Financial Statements

The statement of financial assets and financial liabilities reflects net financial position of Kshs.9,423,143. However, the balance is net of unsupported adjustments of Kshs.4,025,624, negative Kshs.870,229 and Kshs.2,579,079 all totalling Kshs.5,734,474 an indication that the statement is not balanced.

In the circumstances the accuracy and completeness of the financial statements could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Gatugi Girls Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There are no other key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.46,357,898 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,903,160 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.1,903,160 could not be confirmed.

2. Failure to Transfer Infrastructure Funds

The School received operations capitation grants of Kshs.9,296,190 during the period under review, out of which an amount of Kshs.2,996,000 was in respect of infrastructure funds. However, the School Management took more than fifteen (15) days to transfer funds to the infrastructure account. This was contrary to the Ministry of Education Circular No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of law.

3. Excess Supply of Textbooks by the Ministry of Education

The School received two hundred and twenty two (222) copies of "A Silent Song and Other Stories," an optional set book that remained unused at the time of the audit. Additionally, the School received thirty three (33) copies of the KLB Islamic Religious Education Form 4 Student book, which is not part of the curriculum offered at the School.

This is contrary to Regulation 139(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the accounting officer shall take full responsibility in ensuring that proper controls and systems exist for ensuring that stock levels are at an optimum and economic levels.

Further, the School has not received any Form 1, 2, and 4 Home Science textbooks, despite offering the subject. Additionally, teachers' guides for English, Mathematics, Kiswahili, Biology, and Physics were unavailable for all classes. Books that were in stock but not provided in a 1:1 ratio with enrollment include:

Form	Subject	No. of Books	Students	Ratio
1	Business Studies	129	173	0.75
3	Home Science	21	26	0.81
4	Physics	82	96	0.85
4	Geography	28	54	0.52
4	History	136	147	0.93
4	C.R.E	175	200	0.88

In the circumstances, the oversupply of textbooks may result to wastage of public funds.

4. Unsatisfactory Matters in Construction of Dormitory

Review of payment vouchers and Project records revealed that School entered into a labour-based contract with a contractor on 7 August, 2020 for construction of ground and first floor dormitory. Physical verification conducted in the month of May, 2024 revealed that the dormitory was in use. However, the following unsatisfactory matters were noted;

- i. Internal painting of the first-floor dormitory has not been done contrary to the bill of quantities
- ii. Sawn cypress used for roofing was not treated with the wood preservative contrary to the bill of quantities
- iii. Payment vouchers were not supported with payment certificate and the school infrastructure committee inspection reports

Further to this, contrary to the provision of the tender document, page PR/1 section C – Performance Bond, the School failed to provide evidence of collection of 5% of the contract sum in form of bank guarantee from the contractor as performance bond for the Project.

In the circumstances, execution and payment for the works was done contrary to Public Procurement and Asset Disposal Regulations and the School may not have received value for money from the Project.

5. Non-Adherence to Procurement Procedures on Request for Quotation

Examination of payment vouchers and procurement records revealed that the School made various payments to a supplier amounting to Kshs.11,706,000 from the school fund account. The payments were for the supply of groceries and other foodstuffs, procured using the Request for Quotation method of procurement. However, the purchases exceeded the prescribed threshold limit of Kshs.3,000,000 for use of request for quotations. This was contrary to Section 105(a) of the Public Procurement and Asset Disposal Act, 2015 which requires that a procuring entity may use a request for quotations from the register of suppliers for a procurement if when request for quotations may be used the estimated value of the goods, works or non-consultancy services being procured

is less than or equal to the prescribed maximum value for using requests for quotations as prescribed in the Regulations.

Further, Review of procurement records revealed that on 16 June, 2022 the School advertised for request for quotation for several items with submission deadline being 08 July, 2022 10.00am. However, the following inadequacies were observed in the procurement process.

- i. Section 106(2) (a) of the Public Procurement and Asset Disposal Act, 2015 states procuring entity shall give the request to such persons as are registered by the procuring entity, it was observed that entity did not have a list of pre-qualified suppliers for them to engage under this method.
- ii. The opening of quotation was done on 02 July, 2022, seven (7) days earlier than the expiry of the notice of the tender set as 08 July, 2022.
- iii. The evaluation minutes were signed on 25 August, 2022 by the chair and Secretary. Evaluation taking more than 30 days without approval. The Act require that all the members committee to append their initials and the signature on every page of the report, this was not done.
- iv. Based on the evaluation outcome, the committee recommended a single supplier for various categories listed for supply until June, 2023. This contradicts the established procurement method, which mandates the accounting officer to ensure fair and equitable rotation of suppliers.

In addition, the School was using a customized template for their request for quotation procurement method which was not consistent with the standard documents prescribed by the public procurement regulatory authority.

In the circumstances, the School Management was in breach of the law.

6. Irregular Engagement of Casuals

The statement of receipts and payments reflects an amount of Ksh.47,674,393 under boarding and school fund payments as disclosed in Note 9 to the financial statements. These payments includes an amount of Kshs.662,000 paid to several casual workers. Review of personnel records revealed that the School engaged the service of three casuals for a continuous period exceeding three (3) months. However, contrary to regulation, their terms of employment were not converted to regular employment. This is contrary to Section 37 of the Employment Act, 2007 which provides for conversion of the casual employment to regular employment terms for employees who have worked in an entity continuously for more than two months.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, the Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

25 September, 2024

6. Statement Of Receipts and Payments For the Year Ended 30th June 2023

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,043,892	2,351,192
Government grants for operations	2	9,296,190	10,226,123
Government Grants for infrastructure	3	2,996,000	16,843,753
School fund income- parents' contributions	4	35,446,293	28,768,309
Miscellaneous incomes	5	9,054,323	3,578,000
Total Receipts		58,836,698	61,767,377
Payments			
Tuition	6	2,039,623	2,590,077
Operations	7	10,832,588	9,144,875
Infrastructure	8	2,285,185	43,377,856
Boarding and school fund	9	46,357,898	6,201,927
Total Payments		61,515,294	61,314,735
(Deficit)/ Surplus		(2,678,596)	452,642

The school financial statements were approved on _____ 2023 and signed by:



Name: Hon Priscilla Nyokabi
Chair BOM

Date: 26/7/24



Name: Ms Jane Ngigi
School Principal/ Secretary to
BOM

Date: 26/7/24



Name: Cecilia Mathenge
Bursar/ Finance Officer

Date: 26/7/24

GATUGI GIRLS SEC. SCHOOL
P. O. Box 332-10106, OTHAYA.
T: 0711-322220.

7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	3,687,766.00	7,305,449.00
Cash balances	11	106,682.00	37,824.00
Short term investments	12	-	-
Total cash and cash equivalent		<u>3,794,448.00</u>	<u>7,343,273.00</u>
Account's receivables	13	7,612,118.00	3,586,494.00
Total financial assets		11,406,566.00	10,929,767.00
Financial liabilities			
Accounts payables	14	(1,983,423.00)	(4,562,502.00)
Net financial assets		9,423,143.00	6,367,265.00
Represented by			
Accumulated fund b/fwd	15	6,367,265	7,137,277
(Deficit)/Surplus for the year		(2,678,596)	452,642
Increases in receivables		4,025,624	398,504
Increase/decrease in short term inv.		(870,229)	1,763,085
Increase/ decrease in payables		2,579,079	(3,384,243)
Net financial position		9,423,143	6,367,265

The school's financial statements were approved on _____ 2023 and signed by:

.....
Name: Hon Priscilla Nyokabi

Chair BOM

Date: 26/7/24

.....
Name: Ms Jane Ngigi
School Principal/ Secretary to
BOM

Date: 26/7/24

.....
Name: Cecilia Mathenge

Bursar/ Finance Officer

Date: 26/7/2024

GATUGI GIRLS SEC. SCHOOL
P. O. Box 332-10106, OTHAYA.
Tel: 0711-322228

8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2021-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		2,043,892	2,351,192
Government grants for operations		9,296,190	10,226,123
Government grants for infrastructure		2,996,000	16,843,753
School fund income- parents contributions/ fees		35,446,293	28,768,309
Other income		9,054,323	3,578,000
Total receipts		58,836,698	61,767,377
Payments			
Cash outflows for tuition		2,039,623	2,590,077
Cash outflows for operations		10,832,588	9,144,875
Cash outflows from infrastructure		2,285,185	43,377,856
Cash outflows Boarding/lunch and school fund payments		46,357,898	6,201,927
Total payments		61,515,294	61,314,735
Net cash inflow/outflow from operating activities		(2,678,596)	452,642
Cash flow from investing activities			
Net cash inflow/outflows from investing activities		(870,229)	1,763,085
Cashflow from Financing activities			
Proceeds from borrowings/ loans	18		-
Net cash inflow/outflow from financing activities		(3,548,825)	2,215,727
Net increase/decrease in cash and cash equivalents		(3,548,825)	2,215,727
Cash and cash equivalent at beginning of the FY		7,343,272	5,127,546
Cash and cash equivalent at end of the FY		3,794,447	7,343,272

The school's financial statements were approved on _____ 2023 and signed by:

.....
 Name: Hon. Priscilla Nyokabi

Chair BOM

Date: 26/7/24

.....
 Name: Ms Jane Ngigi
 School Principal/ Secretary to BOM

Date: 26/7/24
 GATUGI GIRLS SEC. SCHOOL
 P. O. Box 332-10106, OTHAYA.
 T: 0711-322220.

.....
 Name: Cecilia Mathenge
 Bursar/ Finance Officer

Date: 26/7/24

9. Statement of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	131,950.00	-	131,950.00	-	0
Exercise Books	1,110,850.00	-	1,110,850.00	884,822.00	79.6%
Laboratory Equipment	607,100.00	-	607,100.00	842,786.00	138.8%
Internal Exams	157,300.00	-	157,300.00	181,564.00	115.4%
Teaching / Learning Materials	74,100.00	-	74,100.00	127,180.00	
Exams And Assessment	-	-	-	-	
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	3,914,250.00	-	3,914,250.00	2,632,840.00	67.2%
Repairs And Maintenance	3,750,000.00	-	3,750,000.00	2,996,000.00	79.9%
Local Transport / Travelling	487,500.00	-	487,500.00	674,200.00	138.2%
Electricity And Water	1,469,250.00	-	1,469,250.00	1,048,000.00	71.3%
Medical- NHIF	1,500,000.00	-	1,500,000.00	1,160,940.00	77.3%
Administration Costs	1,179,000.00	-	1,179,000.00	1,047,600.00	88.8%
Activity	1,125,000.00	-	1,125,000.00	861,525.00	76.5%
Gratuity	-	-	-	-	

GATUGI GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On	% Of Utilization
	a	b	c=a+b	Comparable Basis	
	Kshs	Kshs	Kshs	d	e=d/c %
				Kshs	Kshs
3) FDSE for infrastructure					
Maintenance & Improvement MoE	3,750,000.00	-	3,750,000.00	2,996,000.00	79.9%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	4,488,000.00	-	4,488,000.00	4,434,933.00	98.8%
Repairs And Maintenance	1,950,000.00	-	1,950,000.00	1,925,861.00	98.7%
Local Transport / Travelling	1,755,000.00	-	1,755,000.00	1,748,330.00	99.6%
Electricity And Water	3,997,500.00	-	3,997,500.00	3,928,016.00	98.2%
Medical	-	-	-	-	-
Administration Costs	1,725,750.00	-	1,725,750.00	1,753,853.00	101.6%
Activity	487,500.00	-	487,500.00	476,127.00	97.6%
SMASSE	150,000.00	-	150,000.00	149,800.00	99.8%
Fee On Boarding Equipment and Stores	23,042,250.00	-	23,042,250.00	21,177,172.00	91.9%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	168,000.00	-	168,000.00	129,500.00	77.1%
Income From Farming Activities	762,025.00	-	762,000.00	1,041,420.00	136.6%
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income					
(6) Expenditure For Tuition					
Textbooks	912,600.00	-	912,600.00	372,880.00	40.8%
Reference Materials	131,950.00	-	131,950.00	-	-
Exercise Books	1,110,850.00	-	1,110,850.00	736,000.00	66.2%
Laboratory Equipment	607,100.00	-	607,100.00	701,700.00	115.5%
Internal Exams	157,300.00	-	157,300.00	-	-
Teaching / Learning Materials	74,100.00	-	74,100.00	-	-
Chalks	24,700.00	-	24,700.00	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-
(7) Expenditure For Operations					
Personnel Emoluments	3,914,250.00	-	3,914,250.00	3,007,598.00	76.8%
Repairs, Maintenance & Improvements	3,750,000.00	-	3,750,000.00	2,996,000.00	79.9%
Local Transport / Travelling	487,500.00	-	487,500.00	703,144.00	144.2%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On	% Of Utilization
	a	b	c=a+b	Comparable Basis	
	Kshs	Kshs	Kshs	d	e=d/c %
				Kshs	Kshs
Electricity, Water and Conservancy	1,469,250.00	-	1,469,250.00	1,407,598.00	95.8%
Medical- NHIF	1,500,000.00	-	1,500,000.00	1,237,340.00	82.4%
Administration Costs	1,179,000.00	-	1,179,000.00	1,532,103.00	129.9%
Activity Expenses	1,125,000.00	-	1,125,000.00	945,440.00	84%
Gratuity	-	-	-	-	-
SMASSE	150,000.00	-	150,000.00	149,800.00	99.8%
(8) Expenditure For infrastructure					
Construction of Toilet block	3,750,000.00	-	3,750,000.00	2,285,185.00	60.9%
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	4,488,000.00	-	4,488,000.00	4,252,098.00	94.7%
Repairs, Maintenance and Improvements	1,950,000.00	-	1,950,000.00	1,867,440.00	95.7%
Local Transport / Travelling	1,755,000.00	-	1,755,000.00	1,555,228.00	88.6%
Electricity, Water and Conservancy	3,997,500.00	-	3,997,500.00	2,835,935.00	70.9%
Medical Expenses	-	-	-	-	-

GATUGI GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	Comparable Basis d Kshs	
Administration Costs	1,725,750.00	-	1,725,750.00	1,821,696.00	105.5%
Activity	487,500.00	-	487,500.00	469,942.00	96.3%
Gratuity	-	-	-	-	-
Lunch Programme	-	-	-	-	-
Boarding Equipment and Stores	23,042,250.00	-	23,042,250.00	25,044,896.00	108.6%
Expenditure For Income Generating Activity- Farm	762,025.00	-	762,025.00	505,555.00	66.3%
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	162,000.00	-	162,000.00	5,500.00	3.4%
Bank Charges	-	-	-	35,175.00	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Totals					

10. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school*, and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

11. Notes to the Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	372,880.00	
Exercise Books	884,822.00	1,034,850
Laboratory Equipment	842,786.00	886,430
Internal Exams	181,564.00	150,390
Teaching / Learning Materials	127,180.00	230,275
Operations a/c & chalk	157,340.00	49,247
		-
Total	2,566,572.00	2,351,192.00

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,632,840.00	3,335,342
Repairs And Maintenance	2,996,000.00	3,578,000
Local Transport / Travelling	674,200.00	500,100
Electricity And Water	1,048,000.00	1,501,550
Medical	176,050.00	75,376
Administration Costs	1,047,600.00	1,164,555
Activity	721,500.00	71,200.00
Total	9,296,190.00	10,226,123
Total		

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	2,996,000.00	3,578,000.00
Economic stimulus grants	-	-
Total	2,996,000.00	3,578,000.00

4 School Fund Income -Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	4,434,934.00	4,860,122.00
Repairs and maintenance	1,925,861.00	2,386,008.00
Local transport / travelling	1,748,330.00	2,124,762.00
Electricity and water	3,928,016.00	4,778,111.00
Medical	-	-
Administration costs	1,753,853.00	2,125,815.00
Activity	476,127.00	568,935.00
Fee on Boarding Equipment and stores	21,177,172.00	22,318,014.00
PA Levies	2,000.00	-
Others (specify)	-	-
Total	35,446,293.00	39,161,767.00

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	129,500.00	189,000.00
Income From Farming Activities	1,041,420.00	671,088.00
Examinations	-	43,000.00
Pocket money deposit	430,000.00	185,000.00
Prepayments	2,719,917.00	1,606,937.00
Arrears	1,236,423.00	855,870.00
Net transfer to savings	883,505	-
Bursary awarded	2,556,060.00	2,852,400.00
recoveries	-	-
Tender	56,000.00	47,000.00
Bank charges compensation	1,500.00	-
Total	9,054,325	6,450,295

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	736,000.00	1,539,752.00
Textbooks	372,880.00	-
Reference materials	-	-
Laboratory Equipment	701,700.00	1,032,820.00
Teaching / Learning Materials	-	15,600
Exams And Assessment	149,800.00	-
Teachers Guides	-	-
Bank Charges	1,923.00	1,905.00
Sundry creditors	600,000.00	-
Total	2,562,303.00	2,590,077

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	3,007,598.00	2,239,175.00
Service Gratuity	-	-
Administration Cost	1,532,103.00	1,270,175.00
Repairs And Maintenance & Improvements	2,996,000.00	3,578,000.00
Local Transport / Travelling	703,145.00	324,445.00
Electricity And Water	1,407,598.00	1,504,485.00
Medical	252,450.00	-
Activity Expenses	805,415.00	225,000.00
Sundry creditors	124,059.00.	-
Others – Bank charges	4,220.00	3,595.00
Total	10,832,588.00	9,144,874

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	6,201,927.00
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Construction of toilets	2,285,185.00	-
Total	2,285,185.00	6,201,927.00

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	4,252,096.00	5,011,483.00
Pocket money refund	430,000.00	185,000.00
Repairs and Maintenance & Improvements	1,867,440.00	2,476,624.00
Local Transport / Travelling	1,555,228.00	1,019,020.00
Electricity And Water	2,835,935.00	2,723,575.00
Activity	469,942.00	387,339.00
Administration Costs	1,821,696.00	1,927,888.00
Bursary awarded	2,578,560.00	2,815,900.00
Bank Charges	35,175.00	24,877.00
Expenses on Income Generating Activities -farm	505,555.00	330,940.00
Fee on Boarding Equipment and Stores	25,044,896.00	22,304,304.00
Rent Expenses	5,500.00	11,000.00
Exam	-	77,500.00
NHIF	-	14,450
Sundry creditors paid	1,184,670.00	10,000.00
Net transfer to Savings	-	1,783,543.00
tender	45,000.00	-
Prepayments	3,726,204.00	2,274,411.00
Total	46,357,897.00	43,377,854

Notes to the Financial Statements (continued)

10 Bank Balances

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
Ksh	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1101525827	6,309.00	2,040.00
Operations Account	Active	1101565195	203,577.00	1,738,476.00
School Fund Account/Boarding	Active	1101523565	460,909.00	1,897,580.00
School fund		0080293984573	550,693.00	1,041,660.00
School fund		1103197312	1,412,827.00	2,280,767.00
Development Account		008010537751	208,455.00	208,635.00
Farm Activities Account		404-04-04969	70,278.00	72,288.00
CDF Account		0080271508966	26,628.00	26,628.00
Infrastructural Account	Active	1226275311	748,190.00	37,375.00
Total			3,687,766.00	7,305,449.00

11 Cash Balances

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins- school fund account	104,590.00	34,233.00
Operations account	2,092.00	3,591.00
Total	106,682.00	37,824.00

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments –savings account		
Total		

Notes to the Financial Statements (continued)

13 a) Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	7,592,118.00	3,568,494.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears(list/schedule attached)	20,000.00	18,000.00
Total	7,612,118	3,586,494

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year – 2022/2023	5,191,084	68.5%	1,236,374	34.5%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years fees arrears	2,332,071	31.5%	2,332,120	65.5%
Total (should tie to note 13 a)	7,523,155	100%	3,568,494.	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,007,928	1,908,729
Prepaid Fees	958,790	2,637,068
Clubs	16,705	16,705
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	1,983,423	4,562,502

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year – 2022/2023	1,007,928	100 %	1,908,729	100 %
Between 1- 2 years	-		-	
Between 2-3 years	-		-	
Over 3 years	-		-	
Total (should tie to note 14)	1,007,928	100 %	1,908,729	100 %

15 Fund Balance Brought Forward

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Bank Balances	7,305,449.00		4,975,197	
Cash Balances	37,824.00		152,349	
Short Term Investments	-		-	
Receivables	3,586,494		3,187,990	
Payables	(4,562,502)		(1,178,259)	
Total	6,367,265		7,137,277	

Other important disclosure notes

IPSAS Cash Standard encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non-financial assets and liabilities.

16 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total		

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	6 cows & 3calves	Est. 478,000	Est. 478,000
Goats			
Trees	289	Est. 626,800	Est. 676,800
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		Est. 1,104,800	Est. 1,154,800

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year		

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	173,500	297,545
Lab consumables	191,606	264,169
Farm produce	-	-
Medication	-	-
Construction Materials	15,610	91,435
Others – Stationery& exer bks	238,670.	841,375
	619,386	1,494,524

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

20 Progress On Follow Up Of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Sign and Date
Principal

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d-a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Gewawa fabricators & General supply	689,653					
Sub-Total	689,653					
Supply Of Goods						
2. Benmax Ventures	102,000					
3. Muiru meat point	28,000.					
4. Demka dairy	162,825					
5. Science lab ltd	25,450					
Sub-Total	318,275					
Supply Of Services						
6.						
Grand Total	1,007,928					

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	Est. 13,500,000	-	-	Est. 13,500,000
Buildings And Structures	Est. 99,000,000	2,973,395	-	Est. 101,975,395
Motor Vehicles(as per insurance valuation)	800,000	-	-	800,000
Office Equipment, Furniture And Fittings	Est. 3,651,600	250,000	-	Est. 3,901,600
Textbooks	Est. 3,169,200	-	-	Est. 3,169,200
ICT Equipment	Est. 1,037,000	-	-	Est. 1,037,000
Tools And Apparatus	Est. 2,134,660	-	-	Est. 2,134,660
Other Machinery And Equipment	Est. 774,500	-	-	Est. 774,500
Heritage And Cultural Assets	-	-	-	-
Intangible Assets- Soft Ware	Est. 140,000	-	-	Est. 140,000
Total	Est. 124,206,960	3,223,395		Est. 127,430,355